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Missouri Training and Employment Council • PO Box 1087 • Jefferson City, MO 65102-1087

MTEC Meeting Minutes  
January 13, 2006  
8:00 a.m. – 2:00 p.m.  
Capitol Plaza Hotel  
Jefferson City, Missouri

**Attendees**

Katharine Barondeau, J.C. Caudle, Lew Chartock, Chris Filer, John Gaal, Donald Hester, Gloria Carter-Hicks, Rob Honan, Herb Johnson, Mary Moore Johnson, Gil Kennon, Rich Payne, Herb Schmidt, Henry Shannon, John Wittstruck.

**Staff**

Rose Marie Hopkins, JoAnn Hamburg/Potter, Jason Gatz, Glenda Terrill.

**Other Attendees**

Division of Workforce Development: Rod Nunn, Dawn Busick, Roger Baugher, Anita Henry, Steve Kraus, Mike McKown, Rob Mock, Donna Prenger, Sue Sieg, Melissa Woltkamp, Regina Anderson, Clinton Flowers; Workforce Development St. Louis County: Gene Gordon; City of St. Louis: Tom Jones; St. Louis Community College: Jane Boyle; Central WIB: Jan Vaughn; North Central MO College-Northwest WIB: Becky Steele; Northeast WIB: Sharon Hays; South Central WIB: Tana Holder; SEMO WIB and State MEC: Larry Swindle; Southwest WIB: Jasen Jones; DESE/Employment Training: Steve Coffman; MERIC: Mary Bruton, Veronica Gielazauskas, Franciena King, Dave Peters; Coffey Communications LLC: Rex Hall; Ozark Region MCC: Bill Dowling; Urban League: Everett Stuckey; Human Capital Academy: Scott Boyce; USDOL: Kim Davis, Mike Smith; Cape CTC: Tim Pensel; City of O'Fallon (Retired) Carolyn Caudle.

**Call to Order**

Lewis Chartock, Acting Chair, called the meeting to order at 8:00 a.m. provided each member of MTEC a book called The World Is Flat by Freidman. Dr. Chartock then had all in attendance introduce themselves.

**Minutes**

Mary Moore-Johnson moved to approve the minutes of October 12, 2005. Rich Payne seconded the motion. Minutes were approved.

**Waiver Requests to US Department of Labor**

Rod Nunn opened the discussion on waivers being requested from the US Department of Labor (USDOL) by explaining the need for requesting waivers. Until the Workforce Investment Act of 1998 (WIA) is reauthorized by Congress, the Employment and Training Administration (ETA) is encouraging states to request waivers to increase flexibility for administration of programs. WIA allows USDOL broad waiver authority to allow states this flexibility to address changes in local and regional economies.



To date, MTEC has forwarded three waivers to the Governor which he submitted to USDOL. All three were approved by USDOL.

Roger Baugher presented 11 waivers to MTEC for consideration. He explained that Missouri researched waivers requested by other states to see what might be appropriate for Missouri. It was felt that it was better to submit all these waivers to USDOL at once rather than one or two at each MTEC meeting, which would greatly expand the process and restrict the ability to provide services. In reviewing the process, Mr. Baugher explained he would describe the waiver being proposed and entertain questions. If MTEC approved the waiver, it would be forwarded to Governor Blunt for submission to USDOL.

#### **Waiver 1**

Waiver to replace the 17 current performance measures and to implement the Common Measures.

USDOL has developed six Common Measures to simplify the reporting process. Three relate to adults and three to youth programs. Missouri hopes to discontinue the use of the current 17 measures and fully implement the six Common Measures effective July 1, 2006.

Dr. Chartock asked Sue Sieg what objection USDOL might have. Ms. Sieg responded that while this waiver is fairly new, a couple of states have implemented it. West Virginia applied for the same waiver in December and is awaiting approval. She indicated that DWD does not anticipate problems with the approval.

John Wittstruck raised a point regarding the attainment of a degree or certificate. As MTEC has recommended the development of a Workforce Readiness Certificate, he questioned how that is reflected in a performance measure. Mr. Baugher responded that the Workforce Readiness Certificate indicates level of ability rather than completion of specific training. It was suggested to refer certification to a committee to make MTEC requirements for certification more stringent.

Gloria Carter-Hicks suggested MTEC investigate a future waiver to make the 12-month follow-up requirement on adults similar to that for youth.

Dr. Chartock asked if MTEC could have additional performance measures to be regularly reported to MTEC. Mr. Baugher confirmed that MTEC can have its own measures separate from those reported to USDOL. He further suggested that MTEC not limit these measures to the public workforce development programs sponsored by the USDOL but perhaps include other partners in the workforce development system, for the adoption of these performance measures.

Henry Shannon moved to approve Waiver #1. Gil Kennon seconded. Motion carried.

#### **Waiver 2**

Waiver to permit the use of Individual Training Accounts (ITAs) for youth, without needing to co-enroll youth under the adult program. Allows older and out-of-school youth to select approved ITA programs from the Eligible Training Provider List, while retaining their "youth" classification. Training costs could, therefore, be charged as out-of-school youth expenditures, eliminating the need to track separately across funding streams.



Mr. Baugher explained that a similar request has been approved for 21 other states and would be expected to go through fairly quickly. Dr. Chartock commented that this council should have an extended discussion on Individual Training Accounts (ITAs) at a future meeting. Mr. Baugher provided a very brief explanation of an ITA, in that, among the partners, training can be approved, provided, and documented through the use of federal funds.

Ms. Carter-Hicks asked how often it is necessary to ask for a waiver. Ms. Sieg responded that if approved, these waivers would be in effect for two years. At that time, an extension for the approved waivers can be submitted.

John Gaal expressed support for flexibility but cautioned that this might encourage more high school drop-outs. He further explained that the Carpenter's Union has been asked a number of times to lower the entrance requirements for age in the apprenticeship program. It is kept at 18 years of age to encourage high school graduation and discourage dropping out to jump into a program like this. Dr. Wittstruck didn't understand drop outs to be eligible for most training programs. Jasen Jones confirmed that this is not meant to encourage these youths to drop out, as generally they have already done so.

Mr. Baugher further explained that this waiver is intended to increase flexibly at the local level but it would not remove all restrictions as to local operation within this waiver.

Dr. Wittstruck moved to approve Waiver #2. Herb Johnson seconded. Motion carried.

### **Waiver 3**

Waive the requirement that eligible providers of youth activities be identified on a competitive basis.

Mr. Baugher explained that in some areas of the state, there are not enough service providers to make a selection on a competitive basis. Rather than go through the competitive bid process, this waiver would make the procurement process smoother in those regions at the local level. Mr. Nunn cautioned that the integrity of the bid process must be protected. It is very difficult in some areas of the state to find more than one or two service providers, and by providing flexibility in the competitive bid process, the local region could use the time more efficiently. This would have to be thoroughly documented and approved before a region could forego the competitive bid process to ensure no competition is available. These situations would be handled on a case-by-case basis. Policy would be developed to administer this waiver.

Herb Johnson moved to approve Waiver #3. John Gaal seconded. Motion carried.

### **Waiver 4**

Waiver of the requirement that local programs provide each of the ten youth program elements as options available to youth participants.

Mr. Baugher explained that in the requirement for youth programs, there are ten programs that must be offered to all youth in the local workforce areas. There are situations when one or more of these services may not be available. If this waiver was approved, LWIBs would be expected to explain what could not be offered and why. In response to Dr. Wittstruck's question,



Mr. Baugher explained that a local region may not have funding to provide all ten programs, such as paid work experience, available internships in rural areas, etc.

Henry Shannon moved to approve Waiver #4. Mary Moore Johnson seconded. Motion carried.

**Waiver 5**

Waiver to the requirement that all youth participants need to receive some form of follow-up services for a minimum duration of 12 months.

Mr. Baugher explained that Missouri would request this waiver to provide the local boards with greater flexibility for utilizing their staff and time. In certain cases and regions, follow-up may be an undue burden and inappropriate for their youth. This waiver would give LWIBs the flexibility to specify what circumstances would warrant the amount of follow-up for youth that have to receive certain services.

Rich Payne moved to approve Waiver #5. Gloria Carter-Hicks seconded. Motion carried.

**Waiver 6**

Waiver to allow the Governor to utilize WIA Dislocated Worker/Rapid Response funds as statewide activity funds.

Mr. Baugher explained that WIA requires that states reserve 25% of the total Dislocated Worker, allocation for Rapid Response activities and reserve not more than 15% of Adult Dislocated Worker and Youth funds for statewide activities. Missouri has been very successful in being approved for National Emergency Grants and that has allowed the state to have additional funding in the 25% category that could be utilized elsewhere. While Missouri does not have a surplus of funding in this category, it is recognized that with this waiver, additional opportunities could be made available. Missouri is requesting this waiver so the state can have more opportunities to be more flexible when an opportunity arises in a particular region of the state.

Herb Johnson had concern with taking funds from the Dislocated Worker program. He stated that the AFL-CIO would not want to see a reduction in funding as their work load is increasing, not decreasing. Mr. Nunn responded that the State of Missouri is not going to get in a position unable to respond to the needs of those laid off. A substantial amount is maintained in the Rapid Response Fund as protection from any unexpected need.

Gil Kennon moved to approve Waiver #6. J.C. Caudle seconded. Motion carried. John Gaal, Herb Johnson and Mary Moore Johnson abstained.

Dr. Witstruck proposed, the following statement to ensure maintenance of effort to prevent sources from being cut and/or lost:

"The Missouri Training and Employment Council (MTEC) endorse and support, within the limits of law and rule, maximum flexibility in program delivery and funding distribution by local workforce investment boards to best serve and meet the workforce development needs of their respective regions. The Missouri Training and Employment Council further directs the staff of the Division of Workforce Development to aggressively pursue any and all opportunities to ensure that local boards have the flexibility necessary to best serve their respective regions and to



propose to the Missouri Training and Employment Council actions it has taken and actions MTEC can take to promote the greatest flexibility possible at the local level in program delivery and funds distribution."

Rose Marie Hopkins committed to include this on the April agenda.

Mr. Nunn stated that he will address this at that time.

**Waiver #7**

Waiver to minimize data capture requirements for individuals trained using state level or local funds to provide Incumbent Worker Training or Employed Worker Training based on employer application, rather than individual trainee eligibility.

Mr. Baugher explained that under current law, extensive eligibility documentation is required and individual demographic data gathering causes undue hardship and often discourages businesses from participating in these training programs. The purpose of this waiver is to simplify the process so employers would be more interested in participating.

Herb Johnson asked about the criteria for employers, such as a required financial condition, to be eligible to utilize funding rather than paying for training themselves. Mr. Baugher responded that any company that has a need to upgrade skills to be more competitive and open up entry level jobs, could use WIA dollars to provide training, as long as they follow local eligibility criteria.

In support of the waiver, Dr. Wittstruck explained that the Department of Higher Education administers several state student financial aid programs with various eligibility, renewal, and reporting requirements. In combining data collection, Higher Education is able to capture data common for all programs.

Gil Kennon commented that the Southeast WIB has done quite a few Incumbent Workers projects and they have been highly successful.

John Wittstruck moved to approve Waiver #7. Henry Shannon seconded. Motion carried.

**Waiver #8**

Waiver to allow the Governor to increase the amount of Wagner-Peyser funds that can be utilized for services authorized under the Act as part of the one-stop delivery system, increased from 10%, with the flexibility to go up to 20%.

Mr. Baugher explained that currently 90% of the Wagner-Peyser allocation is for operating the labor exchange services. Ten percent is reserved for the Governor's flexibility. In this waiver, Missouri has requested that the method of allocation be allowed to be changed to better serve employers and job seekers through the one-stop workforce investment system. The Governor would have more leverage in maximizing resources between the labor exchange services and the local workforce investment boards.

Henry Shannon moved to approve Waiver #8. Mary Moore Johnson seconded. Motion carried.



**Waiver #9**

Waiver to increase the employer reimbursement for on-the-job training up to 75% reimbursement for small businesses.

Mr. Baugher commented that this waiver is focused on the needs of small employers. WIA can reimburse the employer up to 50% for on-the-job training. By increasing the amount to 75%, the cost of having less than a fully productive employee would be greatly offset. The waiver would also allow small businesses to utilize limited resources for other priorities, such as capital improvements and overhead, while still ensuring their employees are capable of performing the tasks required. In responding to John Gaal's question about the definition of a small employer, Mr. Baugher stated that MTEC would need to help with that.

Dr. Wittstruck explained that there may not be a consistent standard about what is defined as a small business, but that MERIC can do an analysis of employers by size. Currently, "small" is not consistently defined between programs or agencies.

Gil Kennon moved to approve Waiver #9. Herb Johnson seconded. Motion carried. Gloria Carter-Hicks and John Gaal abstained.

**Waiver #10**

Waiver on the use of funds for the capitalization of businesses at WIA section 181 (e) to permit WIA funds to be used to capitalize a small business up to \$5,000 in concert with entrepreneurial or microenterprise training.

Mr. Baugher explained that currently, funds may only be used for economic development activities that have a direct tie to workforce development and human capital. Funds may not be used for activities such as infrastructure or business financing. If someone has gone through training to start their own business, has a good business plan, but doesn't have capital to get the business off the ground, then this waiver would allow workforce investment funds to do that. Mr. Nunn stated that this would be a tool for some local workforce areas, as some communities have available resources while others have none. Under this waiver, this activity would be required to be conducted in concert with entrepreneurial or microenterprise training for the individuals benefiting from the capitalization.

John Gaal moved to approve Waiver #10. Rich Payne seconded. Motion carried.

**Waiver #11**

Waiver to allow entrepreneurial training to be provided with state-level grants and local formula dollars with performance tracked and aggregated at the state level, but not included in local performance calculations.

Mr. Baugher explained that in keeping with Governor Blunt's pledge to create an economic environment where entrepreneurs create jobs, this waiver would provide funding to allow local board flexibility and lead to encouraging and supporting small businesses. He went on to say that local regions would be able to enroll customers into entrepreneurial training with WIA formula funds and exclude these individuals from local performance calculations.

Ms. Carter-Hicks, as a small business owner, stated that she appreciated seeing this proposal as she believes small business drives America and creates jobs.



Gloria Carter-Hicks moved to approve Waiver #11. Herb Johnson seconded. Motion carried.

### **2005 Workforce Investment System Scorecard Report**

Mary Bruton presented an update of the 2005 Performance Scorecard. Missouri's Economic System Scorecard measures the state's performance against the nation's on various economic measures. Measures such as industry diversity, gross state product, and new businesses established reflect the state's ability to develop, maintain, and support industry growth. Other measures such as poverty rate, wage gain, unemployment, and median income describe the quality of life that the state's population maintains year after year. Despite this array of industries, the state's economy has felt the impact of the national recession in many ways. Median household income has significantly declined from high levels that were seen before the tech stock bubble burst in 2000-2001. The rate that are unemployed and in poverty has also continued to increase since 2000, which is consistent with national trends.

Good signs of economic recovery are also shown with the data. The value of goods and services produced in the state (GSP) has grown at a rate matching the national economy at a time when over half of the other states have seen a decline in GSP. The value of goods and services exported from Missouri has grown. The number of non-violent crimes reported in the state has decreased over the past few years. A steady gain in the real wages that Missouri workers earn in overtime is also evident in the data.

### **Chairman's Report**

Dr. Chartock reminded the council that committees have been reformed and encouraged the committee chairs to schedule meetings to discuss the committee's functions. He especially encouraged the Strategic Planning Committee to apply information from The World Is Flat as it looks to issues that will impact the future of Missouri's workforce.

### **Staff Reports**

Rose Marie Hopkins stated that the Committee Roster that Dr. Chartock described was in the packets. She asked that if anyone had not been assigned to committee or preferred a different committee, to notify her. She also volunteered that the MTEC staff is able to make the arrangements to hold committee meetings.

Mrs. Hopkins shared the memorandum from the Office of Administration announcing that the state mileage rate will increase to 41.5 cents per mile effective July 1, 2006.

In regard to the next meeting, MTEC has been invited to meet at the Lodge of the Four Seasons immediately prior to the Missouri Association of Workforce Development conference on April 3, 2006. Steve Coffman gave a brief overview of the conference and offered that MTEC members would be welcome to attend the first day of the conference at no charge. This date for the MTEC meeting was not committed but only offered as an option for the April meeting.

Mrs. Hopkins explained about the MO METS committee on which she serving. The purpose of MO METS is to investigate ways to encourage students to increase their interest in mathematics, engineering, technology, and science. Mary Beth Luna from the Governor's Office is coordinating the committee. Those serving on this committee represent state agencies, higher education institutions such as Washington University, University of Missouri-Columbia, University of Missouri-Rolla, Missouri State University, and also the private sector including



Boeing, Bayer, Kansas City Life Sciences Center, and SBC in St. Louis. A key problem is that engineers are being educated in foreign countries far in excess of the numbers being educating in the United States. MO METS is an effort to put Missouri ahead, through business and industry for the good of the state economy. Governor Blunt will be hosting a summit on this topic in April.

#### **Fiscal and Program Review and Monitoring**

Rob Mock introduced the process DWD follows for different types of monitoring of LWIBs in relation to funding and programs. Subgrants must be monitored by the LWIB or the awarding agency on an annual basis. An annual schedule and plan should be developed that focuses on both programmatic and fiscal requirements. Monitoring tools include cash management, bank records, financial reporting records, and the amount of interest earned on advances.

Melissa Woltkamp explained that programmatic monitoring is conducted annually for the 14 regions. The reviews include compliance issues as well as an over-all assessment of what is occurring in the One Stop Centers. DWD reviews the programs and services, eligibility, program performance, equal opportunity, and if the services being provided are justified. This information is shared with the LWIB, MTEC and staff in order to improve services to the customers. The programs reviewed include WIA Career Assistance Program, Parents Fair Share, and Veterans Programs. The overall purpose is to have efficient and effective career centers operations. Mr. Johnson inquired if the waivers that were passed would be part of the reviews. Ms. Woltkamp responded that they would. It was also asked what would happen if a region was not complying with rules and regulations stipulated by USDOL or DWD. Ms. Woltkamp indicated that the first attempt to resolve the concern would be for DWD to provide technical assistance to the region. As a last resort, the region would be sanctioned.

#### **Skills Gap Implementation Phase II**

Dr. Chartock announced that this report would be deferred until the April meeting.

#### **Apprenticeship for Business and One Stops**

Mrs. Hopkins introduced Kim Davis and Michael Smith from the USDOL, Bureau of Apprenticeship and Training.

Ms. Davis explained that a registered apprenticeship is an effective and time-honored way to help sponsors build a skilled workforce to compete in the 21<sup>st</sup> century. Apprenticeships are formalized career training programs that offer a combination of structured on-the-job training and related technical instruction to employees for occupations that demand a high level of skill. Apprenticeship training standards are industry-driven; an industry or program sponsor determines the skill requirements needed to build and sustain a quality workforce. Apprenticeships can last from one to six years. During this time, apprentices work and learn under the direction of experienced journey workers. Over time, apprentices are provided the diversity and complexity of training that leads to becoming highly skilled in their chosen occupations. As they gain skill, they are compensated through increase in wages. Due to time constraints, Dr. Chartock suggested questions be directed to Ms. Davis through the contact information she provided.



**CRC Soft Skills Training in the Southeast Region LWIB**

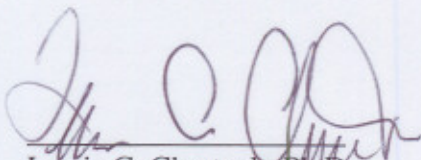
Tim Penzel explained that this Workplace Readiness Credential Project is the culmination of months of collaboration and planning between business, industry and education. It is designed to give those with little or no work experience, but wishing to enter the workforce, the skills necessary to obtain and sustain meaningful employment. The training begins with two weeks of Workplace Readiness Skills, which are common to all types of employment, followed by a period of hard skills training. Anyone not currently enrolled in school, and willing to commit time and effort, will qualify for the Credential Project. This is an excellent opportunity for those who have lost a job through industrial/corporate relocation, those whose government benefits have expired, and others who, for whatever reason, have not had the opportunity to pursue skill training.

The purpose of this training is to prepare participants in better understanding the importance of soft skills for successful employment. Employers have expressed concern that employees lack basic work habits necessary to be successful.

This opportunity is made possible by a Department of Labor grant obtained by Southeast Missouri State University's School of Polytechnic Studies and supplemented by the Workforce Investment Board of Southeast Missouri.

**Adjourn**

In response to Dr. Chartock's request, John Wittstruck moved and John Gaal seconded a motion to adjourn at 2:00 p.m.



Lewis C. Chartock, Ph.D.  
Acting Chair



Rose Marie Hopkins  
MTEC Executive Director